GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:2657
ANSWERED ON:16.12.2004
CORRUPTION IN RECRUITMENT TENDERING DISPOSAL OF SCRAP
Boianapalli Shri Vinod Kumar

Will the Minister of RAILWAYS be pleased to state:

(a) whether due to rampant corruption in recruitment, tendering, disposal of scrap etc. there has been heavy loss of revenue;

(b) if so, the loss suffered as a result thereof during each of the last three years;

(c) the steps taken to check the same by the Govt. henceforth;

(d) whether the railways while floating tenders for the disposal of scrap have asked the tenders for earnest money deposit;

(e) if so, the details thereof;

(f) if not, the reasons therefor;

(g) whether there is any written document on tendering to be followed by railways; and

(h) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a) to (h) : A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (h) OF UNSTARRED QUESTION NO. 2657 BY SHRI B. VINOD KUMAR T O BE ANSWERED IN LOK SABHA ON 16.12.2004 REGARDING CORRUPTION IN RECRUITMENT TENDERING AND DISPOSAL OF SCRAP

(a) No, Sir. There is no rampant corruption in recruitment. However, leakage of revenue has been detected in tendering and disposal of scrap.

(b) The loss suffered as a result thereof during each of the last three years is given below:

Item	2002	2003	2004(upto Oct.)
Recruitment	Nil	Nil	Nil
Tendering	32.11 lakh	Nil	Nil
Scrap Disposal	23# crores	34.7# crores	35.7# crores

= These figures are for short/excess accountal of scrap which did not result in loss of revenue due to timely detection.

(c) The Ministry of Railways have taken a number of steps to tackle the problem of losses due to loss of revenue in scrap disposal such as to carry out intensive checks, provision of electronic weigh-bridges at various depots and sheds and computerization of accountal of rail and Permanent- way material. Complaints pertaining to irregularities in recruitment and tendering are investigated by the Vigilance Department and officials found responsible are taken up.

(d) Yes, Sir.

(e) Tenderers are required to deposit earnest money equivalent to 5% of the tendered value subject to a maximum of Rs. 50,000/- per

tender. Successful tenderers are required to deposit 10% of the value of the lot as security deposit before issue of sale advice. Earnest money amount is returnable to the unsuccessful bidders after the tender has been finalized.

(f) Does not arise.

(g) Yes, Sir.

(h) Following are the written documents on tendering which are to be followed by the Railways:

(i) General Conditions of Contract

(ii) Standard Special Conditions of Contract

(iii) Standard Specifications

(iv) Indian Railways Code for the Engineering Department (3rd re-print) 1999

(v) Engineering Standing Order No. 10 containing circulars of Railway Board on Contract

(vi) Other written circulars issued from time to time from the Railway Board on the subject

(vii) Various Bureau of Indian Standards/Indian Railway Standards and other Codes

(viii) Indian Railway Code for Stores Department, Vol.I and the rules for entering into supply contracts.

In addition to the above, Zonal Railways are also issuing detailed circulars within the ambit of general policy guidelines issued by the Railway Board to elaborate the same for use of contractors. The above documents either form part of the agreement or a mention is made in the contract document that the same would be followed while executing the contract.